

Northwest ENERGY STAR Consumer Products Savings with a Twist® Regional Promotion

Request for Proposals for a Lighting Buy-down Campaign

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Proposals due May 1, 2006



With support from:



NORTHWEST ENERGY EFFICIENCY ALLIANCE
www.nwalliance.org

1.0 Introduction

The Consumer Products Program of the Northwest Energy Efficiency Alliance (Alliance) is seeking a partnership with several ENERGY STAR lighting manufacturing partners for a retail-based promotion beginning on September 1, 2006 and ending December 1, 2006. The promotion, implemented by the Alliance's ENERGY STAR Consumer Products Program, will cover the majority of the Alliance territory, which includes Idaho, Washington, Oregon, and Montana.

The promotion will fund up to 1 million CFLs through a \$1.35 per unit buy-down spread across multiple manufacturers and retail partners for regional distribution. Preference will be given to proposals that provide consumers with retail pricing of less than \$1.00 per bulb.

The Alliance is a non-profit corporation supported by electric utilities, public benefits administrators, state governments, public interest groups and energy efficiency industry representatives. These entities work together to make affordable, energy-efficient products and services available in the marketplace. Portland Energy Conservation Inc. (PECI), in partnership with Ecos Consulting and Applied Proactive Technologies (APT), implements the ENERGY STAR Consumer Products Program for the Alliance, providing marketing, education, sales training and tools to fortify ENERGY STAR brand awareness among consumers and market actors.

2.0 Promotion Background & Objectives

The primary goal of the Savings With a Twist 2006 (SWAT) promotion is to provide consumers in the Northwest with the highest quality lighting at a low price, specifically consumers that have not had good access to high-quality and low-priced CFLs as well as to those who have never purchased CFLs.

2.1 Summary of Proposal Preferences

- Strong preference will be given to proposals featuring non-traditional distribution channels (drugstore, grocery, etc.). Participation of big box DIY-stores and membership based retail stores is strongly discouraged.
- Proposals addressing sales in rural markets and through distribution channels such as grocery will be given preference.
- Strong commitment to deliver products, documentation and sales data in a timely manner will have priority.
- In-store CFLs/product (SKUs) that will be marked-down at the retail level during the promotion is preferred over special shipments that will only be available during the promotion.
- Strong reference will be given to proposals that provide consumers with retail pricing of less than \$1.00 per bulb.

2.2 Instructions for Proposals with Special Shipments to Retailers

- Maximum of two shipments per retailer.
- The first shipment should be large enough to cover at least half of the expected sales during the promotion.
- The first shipment can arrive in stores as early as August 15, 2006.
- Second shipments must be shipped to retailers by October 8, 2006 and arrive in stores no later than by October 15, 2006.
- Costs for CFLs that are not sold by December 1, 2006 will not be covered by the program.

3.0 Proposal Components

Proposals must include:

- Intent to Respond Form
- Product model numbers with specs
- Letters of commitment from retailers
- Schedule for shipping and delivery—including quantity of CFLs by store (if product is not a markdown of existing stock)
- Sales data reporting sample (see attached Excel Workbook)
- Historical Sales Data (at least one month prior and for the same period in 2005)
- Marketing plan
- Store list including physical address
- Detailed contributions from manufacturer and retailer
- Product Samples (four)

Additional information (preference given in evaluation)

- PEARL testing data (if applicable)
- Retailer promotional support
- Participation with rural retailers and grocery
- Consumer demographic data if available
- Prior experience with SWAT 2005

3.1 Recommended Products

- The promotion will only consider proposals on ENERGY STAR qualified CFLs with wattages of 18 or higher. Please provide four samples of the proposed product(s) with proposal.
- Proposals should include model number and specs for the product(s) recommended.
- If proposed products have been tested through PEARL, data supporting the testing should be provided with the proposal.

- Single-packs of CFLs are preferred over multi-packs at the retail level. Multi-packs up to a 4-pack will be considered for participation.
- Manufacturers are encouraged to use messaging that supports the promotion's objectives on headerboards, shipper packs, or other displays.

Note: The Consumer Products Program reserves the right to exclude products that have been shown not to be in compliance with current applicable ENERGY STAR specifications and/or that have failed PEARL testing. Manufacturers may offer replacement products, but the Consumer Products Program is under no obligation to accept these replacements.

3.2 Retail Partnerships

The Consumer Products Program requests proposals for promotions from joint manufacturer-retailer partner teams. Preference will be given to proposals that include strong manufacturer and retailer promotional support. Support can be in the form of special POP materials and displays, advertising, consumer education activities, wholesale or retail discounting, and/or special packaging. This list is not meant to be all-inclusive and the Consumer Products Program encourages creativity from retailers and manufacturers in their proposals. Proposals submitted by manufacturers must include letters of commitment from retailers.

The Consumer Products Program requests submissions that maximize participation with independent and small chain retailers in rural and small market locations, including grocery, drug and hardware. The Consumer Products Program requests the number and type of retail channel(s) of participating retailers, and geographic coverage is included in the proposal. Preference will be given to proposals providing detailed consumer data (zip code data, demographic data, and ENERGY STAR purchase patterns).

3.4 Data Requirements

Any promotional funding support from the Consumer Products Program will be linked to the timely submission of shipping, receiving and sales data. Monthly shipping/receiving and sales data must be submitted for the prior month within 14 days of the end of the month. Two payments will be made on each invoice submitted by the manufacturer. The buy-down funds allocated to the manufacturer will be paid in the following increments:

- 50% of requested funds at initial product shipment
- The total amount, or 100%, of requested funds paid after 95% sell-through of the product.
- If product doesn't reach 95% sell-through, the requested funds will be based upon actual sell-through. For example, if 85% of the product is sold, payment will be made for 85% of the product shipment.

Final sales data must be provided ***no later than*** December 15, 2006 in order to receive buydown payment.

POS sales data is acceptable in lieu of shipping and delivery documentation for proposals with a promotional product markdown rather than special shipments.

Requested promotion shipment data to be provided to PECI shall include, but not be limited to, the following:

- Shipping documents with product description and SKU (e.g., packing list, order copy, invoice copy) - required.
- Proof of Delivery documents (e.g., signed bills of lading) - required.

Proposals should include samples of all required data reporting listed above.

3.5 Marketing & Consumer Education

The Consumer Products Program will produce marketing materials that include, but not limited to, header boards, aisle violators, and floor stickers. Proposals should address how the manufacturer will support these program materials.

Retail partner must place and maintain signage provided by the Consumer Products Program during the entire promotional period. Retailer must dedicate high traffic/visibility location for products. Consumer Products Program representatives will verify this activity.

The Consumer Products Program will provide retail field representatives who will support participating retailers to train sales associates on promotion details, set up in-store signage, and check and refresh product displays. The Program field representatives will work with participating retailers to replenish the participating retail stores' point of purchase materials for the duration of the promotion.

Total manufacturer and retailer contributions for direct product support, i.e., reductions in wholesale or retail product cost/price, retailer point of purchase (POP) materials, other store level marketing efforts, product placement at store level, and other advertising support, will be a consideration in selection of proposals.

3.6 Damaged Product Replacement

Product returned to the manufacturer or transferred to retail locations, other than designated in the written confirmation (Memorandum of Understanding) from the Consumer Products Program, must have written approval from Dana Banks of PECI on behalf of the Consumer Products Program. Manufacturers and/or retailers must credit the Alliance, who provided the original incentive payment.

Manufacturers must include a supply of replacement products at the retailers to handle customers' returns for defective products at no charge to the Alliance or retail customers. Supply should be equal to a minimum of 0.5% of product totals per shipment.

Manufacturers must email the Consumer Products Program within 5 business days that product has been shipped. If manufacturers are unable to meet delivery dates, the Consumer Products Program reserves the right to reallocate resources to other manufacturers.

3.7 Promotional Support Workbook

Proposals must include a completed Request for Promotional Support Workbook (see attached Excel workbook). Both the Summary Worksheet and Promotion Detail Worksheet(s) must be completed. For each individual proposed promotion a separate

Promotion Detail Worksheet must be completed. Note that several fields on the Summary Worksheet are automatically completed when the Promotional Detail Worksheets are filled in. Lead manufacturers who would like to partner with more than one retailer, and lead retailers who would like to partner with more than one manufacturer, must include ALL their promotions in a single Request for Promotional Support Workbook. Promotion types may vary for any of the promotions included in a submitted Summary Worksheet. Incomplete Workbooks will not be considered.

3.8 Timeline

Proposals should represent a retail based promotion falling within the promotional dates of September 1 through December 1, 2006. Preference will be given to proposals offering product no later than September 1, 2006 for consumer purchase.

4.0 Schedule

The deadline for submission of proposals is May 1, 2006, 5:00 PM PST.

Completed proposals must be sent to:

Consumer Products Program
Attention: Roch Naleway
1400 SW Fifth Ave.
Portland, OR 97201
rnaleway@peci.org

Completed Request for Promotional Support Workbooks, co-op promotion descriptions, and any additional special event promotion details must be emailed to rnaleway@peci.org. Product samples, examples of any POP, other advertising materials, and samples of required shipping, receiving and sales data reporting that cannot be transmitted electronically may be sent as hardcopy. These materials must also be received by the due date and time noted above.

April 10	RFP sent to ENERGY STAR Manufacturers
April 21	Intent to Respond form due
May 1	Proposals due
May 15	Notify Bidders of selection
May 31	Agreements signed
September 1	Promotion launch

5.0 Questions

Questions on this RFP will be accepted until April 14 and should be emailed to Roch Naleway at rnaleway@peci.org. No phone calls please. All submitted questions and answers will be distributed to all potential bidders on April 19.

6.0 Selection Criteria

Selection and funding of any submitted promotion will be based on:

1. Retail product price.

2. Value to the Consumer Products Program – maximum lifetime energy (kWh) savings at lowest cost.
3. Total manufacturer and retailer contributions for direct product support, i.e., reductions in wholesale or retail product cost/price, retailer point of purchase (POP) materials, other store level marketing efforts, product placement at store level, and other advertising support.
4. Product quality - preference may be given to CFLs that have been tested by the Program for the Evaluation and Analysis of Residential Lighting (PEARL) and found to be in compliance with the current applicable ENERGY STAR specifications. Products tested must provide supporting testing data with proposal.
5. Ability to provide verifiable store level shipment and sales data – Point of Sale (POS) data is a requirement.
6. Number and type of retail channel(s). The Consumer Products Program will give preference to submissions that maximize participation with independent and small chain retailers in rural and small market locations, especially hardware, grocery and drugstores. If there is detailed consumer data from any and all of the locations it should be provided in the proposal. Examples: zip code data, and other consumer characteristics.
7. Retailer historic and on-going commitment to stocking of ENERGY STAR lighting products.
8. In-store CFLs/product (SKUs) that will be marked-down at the retail level during the promotion rather than special shipments that will only be available during the promotion.
9. Proposed products – Wattages 18-23 preferred. **A minimum product wattage of 18 required.**
10. Details of proposed marketing, special events and/or consumer education plans.
11. Detailed timeline of promotion execution – including start date, shipment dates, and marketing creative timeline.
12. Proven track record of manufacturer and/or retailer.

The Consumer Products Program reserves the right to refuse any proposal or to negotiate the specifics of any submitted promotion, including funding levels.